



SAN JOSE WATER COMPANY SAVES OVER \$600,000 IN ANNUAL COSTS WITH WAUSAU'S REMOTE LOCKBOX SOLUTION



Goal

San Jose Water Company's goal was to find a solution that would help simplify its remittance processing, increase speed and efficiency, and reduce costs.

Challenge

At 45,000 remittances per month, San Jose Water Company had difficulty finding a cost-effective solution for its payments processing. Banks either refused to deal with the low quantity or were priced too high.

Solution

WAUSAU's outsourced Remote Lockbox solution

Impact

- 2.47 Days Sales Outstanding (DSO) reduction (11.62%)
- Saves more than \$50,000 per month compared to an in-house solution

THE SITUATION

San Jose Water Company is one of the largest and most technically sophisticated urban water systems in the U.S. The investor-owned corporation serves high-quality water to more than one million people in the greater San Jose, Calif. metropolitan area, with exceptional customer service being one of the cornerstones of their business.

Processing customer remittances in a timely and accurate manner is a critical component in helping the company achieve its high service levels. Because of the importance San Jose Water Company places on customer satisfaction, the organization was reluctant to fully outsource its remittance processing when the time came to replace its legacy system. Not only did the company want control over the way its payments were processed, but it also worried that changing P.O. boxes would negatively impact its many customers who have been remitting to the same address for over 20 years.

However, keeping its remittance processing in-house also presented several challenges. The San Jose Water Company wanted to avoid the sizable capital investment in infrastructure, systems and staff that is typically required when upgrading and managing a remittance processing solution internally.

As the benefits of both options were weighed, outsourcing made the most sense for their business model. However, San Jose Water Company's Information Systems Supervisor, Sandy Freeman, soon learned that its remittance volume of approximately 45,000 remittances per month fell below the minimum threshold of most lockbox providers. "Most banks wouldn't even look at us. And, banks that were willing to process our work wanted to charge us a very high transaction fee to do so," said Freeman.

THE SOLUTION

After failing to find a lockbox provider that could meet their specific needs, San Jose Water Company approached WAUSAU, its remittance solutions provider for more than 25 years, about an alternative to traditional outsourced processing.

WAUSAU proposed a remote lockbox solution that combines its Deposit 24/7 remote deposit capture, its core processing platform, and its Receivables360 Online™ solution for archive, reporting and decisioning. This proposed solution checked all the boxes for San Jose Water Company, so they moved forward with implementation in what Freeman describes as an "overnight transition."

In its remote lockbox environment, the San Jose Water Company still picks up its mail from the post office, and uses an OPEX51 that they already own to open mail and extract payments and remittances. The company then scans the documents, keys in any data that isn't interpreted by courtesy or legal amount recognition, pre-balances its multi-check or multi-stub transactions, and securely transmits the images and related data to WAUSAU's remittance processing hub. San Jose Water Company pre-balances its complex transactions to avoid receiving an exceptions file later. "We are extremely picky about the handling of our exceptions work and we prefer to handle it upfront," said Freeman.

WAUSAU then balances all of the transactions, provides intraday Online Decisioning for any transactions that have failed final validation services, transmits a receivables posting file to San Jose Water Company, and generates an Image Cash Letter (ICL) to their depository institution. San Jose Water Company stores the physical checks and remittances for two weeks before securely shredding them.

San Jose Water
saves approximately
\$50,000 per month
using WAUSAU's
Remote Lockbox
solution

THE BENEFITS

Remote Lockbox helped San Jose Water Company avoid the expense of upgrading both its hardware and software while still retaining control over its payments workflow to avoid impacting valued customers. The company saves approximately \$50,000 a month using WAUSAU's Remote Lockbox solution instead of purchasing a new remittance processing system. It is also cheaper than what they would have paid to fully outsource its remittance processing. Now, WAUSAU makes all the investments in hardware and software, handles compliance and audit controls, and provides backup in the event of a major disaster. The San Jose Water Company is always on a current software release with no costly upgrades or maintenance required.

With WAUSAU's Remote Lockbox, investment at the point of capture is also minimal because it requires only certified check and full-page scanners and online software. The San Jose Water Company is able to retain control of its customer post office box locations and does not have to worry about confusing customers with an address change. It also has helped them lower courier fees. Before deploying Remote Lockbox, San Jose Water Company physically deposited its checks each day, requiring them to pay a courier to transport the items.

Most importantly, Remote Lockbox has enabled the San Jose Water Company to sustain its superior customer service without interruption. According to Freeman, Remote Lockbox was the best choice for them. "We could not have maintained our quality and service with a fully outsourced solution."

THE BOTTOM LINE

Remote Lockbox means that the San Jose Water Company does not have to choose between fixed cost investments in a lockbox processing infrastructure, systems and staff, or giving up control of their remittances. WAUSAU's Remote Lockbox offers San Jose Water Company all of the best elements of advanced lockbox and outsourced services as well as delivering significant operational and business benefits.

About WAUSAU Financial Systems

WAUSAU, a Deluxe Corporation Company, is a premier provider of payment and receivables processing solutions, helping businesses of all types move money faster. With its products, services and consulting, WAUSAU works with customers to speed check processing, electronic presentment, ACH payments, transaction processing, distributed capture and enterprise content management. WAUSAU holds the No. 1 market share position in retail and wholesale remittance processing solutions. WAUSAU processes more than \$1 trillion in payments each year through its work with more than 650 organizations, and maintains more than 30 percent of all U.S. lockbox volume. The company works with 13 of the 25 largest financial institutions, 42 percent of insurance companies with more than 5 million customers and 24 percent of utilities with more than 100,000 customers. More than 200 financial institutions use WAUSAU's remote deposit capture service, and industry consultants Celent and Aite Group have ranked WAUSAU's remote capture functionality above all competitors.



WANT MORE INFORMATION ABOUT WAUSAU?

Contact us today.

WEB

wausaufs.com

CALL

800.937.0017

...or contact your WAUSAU
sales representative.